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湖南有色金属股份有限公司

HUNAN NONFERROUS METALS CORPORATION LIMITED

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2626)

**ANNOUNCEMENT
PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

PROFIT WARNING

It is expected that the Group may record net loss for the financial year ended 31 December 2008 primarily due to (1) the remained low trading prices of nonferrous metals and (2) the record of net foreign exchange loss of Australia dollars, foreign assets denominated in Australia dollars and Hong Kong dollars for the financial year ended 31 December 2008. This profit warning announcement is made based on the preliminary calculations by the Company's management based on the management accounts and unaudited consolidated financial statements of the Group, which has not been confirmed nor audited by the auditors of the Company.

Potential investors and shareholders of the Company should exercise caution when dealing in the securities of the Company.

This announcement is made by the board of directors (the "Board") of Hunan Nonferrous Metals Corporation Limited (the "Company", and together with its subsidiaries, the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

PROFIT WARNING

It is expected that the Group may record net loss for the financial year ended 31 December 2008 for the reasons set out below.

After preliminary calculations by the Company's management based on the management

accounts and unaudited consolidated financial statements of the Group, it is expected that the Company may record net loss for the financial year ended 31 December 2008, which is, among other things, primarily attributable to that (1) the remained low trading prices of nonferrous metals and (2) the record of net foreign exchange loss of Australia dollars, foreign assets denominated in Australia dollars and Hong Kong dollars for the financial year ended 31 December 2008. The net profits attributable to equity holders of the parent in 2007 is RMB314,896,000 and the earning per share is RMB8.91 cents.

This profit warning announcement is only based on the preliminary calculations by the Company's management in accordance with the management accounts and unaudited consolidated financial statements of the Group, which has not been confirmed nor audited by the Company's auditor. The annual results of the Company for the year ending 31 December 2008 have not been finalised as at the date of this announcement. Shareholders of the Company and investors are advised to carefully read the annual results announcement of the Company for the year ended 31 December 2008, which is expected to be published on the website of the Company at www.hnc2626.com and on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk in April 2009.

Potential investors and shareholders of the Company should exercise caution when dealing in the securities of the Company.

By Order of the Board
Hunan Nonferrous Metals Corporation Ltd.
He Renchun
The Chairman

Changsha, PRC
20 January 2009

As at the date of this announcement, the Board of Directors of the Company comprises Messrs. He Renchun, Li li, Liao Luhai, and Chen Zhixin as executive directors, Messrs. Cao Xiuyun, Wu Longyun, Zhang Yixian, and Yu Jiang as non-executive directors and Messrs. Gu Desheng, Chan Wai Dune, Chen Xiaohong and Wan Ten Lap as independent non-executive directors

**The English name of the Company is for identification purpose only*